Wolfeye Resource Corp.

Consolidated Financial Statements

Year Ended March 31, 2016

Expressed in Canadian Dollars

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wolfeye Resource Corp.:

We have audited the accompanying consolidated financial statements of Wolfeye Resource Corp., which comprise the consolidated statements of financial position as at March 31, 2016 and 2015, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Wolfeye Resource Corp. as at March 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
July 28, 2016

An independent firm associated with Moore Stephens International Limited
MOORE STEPHENS

Wolfeye Resource Corp.
Consolidated statements of financial position
(Expressed in Canadian Dollars)

	Notes	March 31, 2016	March 31, 2015
ASSETS			
Current assets			
Cash		$ 8,527	$ 105,485
Receivables		1,553	12,105
Short-term loan	5	25,000	-
Prepaid		4,533	1,873
		39,613	119,463
TOTAL ASSETS		**$ 39,613**	**$ 119,463**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6,9	$ 107,156	$ 90,779
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	8	3,738,111	3,639,461
Share-based payment reserve	8	274,247	274,247
Deficit		(4,079,901)	(3,885,024)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		**(67,543)**	**28,684**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 39,613**	**$ 119,463**

Nature and continuance of operations (Note 1)
Subsequent event (Note 11)

Wolfeye Resource Corp.
Consolidated statements of loss and comprehensive loss
(Expressed in Canadian Dollars)

	Notes	Years ended March 31, 2016	2015
Expenses			
Administration	9	$ 40,000	$ -
Consulting fees	9	46,088	55,000
Management fees	9	3,500	7,000
Office and miscellaneous		1,462	529
Professional fees		102,785	19,620
Property investigation costs		-	1,650
Rent		-	11,000
Transfer agent, filing fees and shareholder relations		10,738	14,177
Travel		9,639	-
		(214,212)	(108,976)
Other items			
Write-off of trade payables		19,335	160,579
Write-off of exploration and evaluation assets	4	-	(160,018)
		19,335	561
Net loss and comprehensive loss		**$ (194,877)**	**$ (108,415)**
Net loss per share – basic and diluted		**$ (0.02)**	**$ (0.02)**
Weighted average number of common shares outstanding – basic and diluted		**8,973,009**	**5,854,105**

Wolfeye Resource Corp.
Consolidated statement of changes in equity
(Expressed in Canadian Dollars)

		Share capital				
	Notes	Number of shares	Amount	Share-based payment reserve	Deficit	Total
Balance at March 31, 2014		**1,165,260**	**$ 3,284,938**	**$ 274,247**	**$(3,776,609)**	**$ (217,424)**
Comprehensive loss:						
Loss for the year		-	-	-	(108,415)	(108,415)
Transactions with owners, in their capacity as owners, and other transfers:						
Shares issued for cash – private placement	8	6,005,000	360,300	-	-	360,300
Share issue costs	8	-	(5,777)	-	-	(5,777)
Balance at March 31, 2015		**7,170,260**	**3,639,461**	**274,247**	**(3,885,024)**	**28,684**
Comprehensive loss:						
Loss for the year		-	-	-	(194,877)	(194,877)
Transactions with owners, in their capacity as owners, and other transfers:						
Shares issued for cash – private placement	8	2,000,000	100,000	-	-	100,000
Share issue costs	8	-	(1,350)	-	-	(1,350)
Balance at March 31, 2016		**9,170,260**	**$ 3,738,111**	**$ 274,247**	**$ (4,079,901)**	**$ (67,543)**

Wolfeye Resource Corp.
Consolidated statements of cash flows
(Expressed in Canadian Dollars)

	Years ended March 31, 2016	2015
Operating activities		
Loss for the year	$ (194,877)	$ (108,415)
Adjustments for:		
Write-off of trade payables	(19,335)	(160,579)
Write-off of exploration and evaluation assets	-	160,018
Changes in non-cash working capital items:		
Receivables	10,552	(12,472)
Short-term loan	(25,000)	-
Prepaid	(2,660)	-
Trade payables and accrued liabilities	35,712	(130,087)
Net cash flows used in operating activities	(195,608)	(251,535)
Financing activity		
Proceeds on issuance of common shares, net	98,650	354,523
Net cash flows from financing activity	98,650	354,523
Change in cash	(96,958)	102,988
Cash, beginning	105,485	2,497
Cash, ending	**$ 8,527**	**$ 105,485**

1. Nature and continuance of operations

Wolfeye Resource Corp. (the “Company”) was incorporated on April 26, 2007, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in North America. The Company is a Tier 2 Mining Issuer listed and trading on the TSX Venture Exchange (“TSX-V”).

The head office, principal address, records office and registered address of the Company are located at 750 West Pender Street, Suite 303, Vancouver, British Columbia, Canada, V6C 2T7.

Effective November 17, 2015, the Company entered into a definitive share exchange agreement to acquire all of the issued and outstanding securities (the “Acquisition”) of Bionomics Diagnostics Inc. (“BDI”), an arm's-length private British Columbia company operating in the biomedical device space (the “BDI Agreement”) (Note 5).

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2016, the Company is not able to finance day to day activities through operations, raising significant doubt about its ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

2. Significant accounting policies and basis of preparation

These consolidated financial statements were approved and authorized for issue on July 28, 2016 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

The consolidated financial statements of the Company comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted, which is the Company’s functional currency.

2. Significant accounting policies and basis of preparation (continued)

Consolidation

The consolidated financial statements include the accounts of the Company and its two inactive controlled entities. Details of controlled entities are as follows:

		Percentage owned*	
	Country of incorporation	March 31, 2016	March 31, 2015
StoneShield Panama Inc.	Panama	100%	100%
Minera Centinela Inc.	Columbia	100%	100%

*Percentage of voting power is in proportion to ownership.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the determination of the functional currency of the parent company and its subsidiaries.

2. Significant accounting policies and basis of preparation (continued)

Foreign currency translation

Transactions and balances:

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiaries was the United States dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

2. Significant accounting policies and basis of preparation (continued)

Farms outs

The Company does not record any expenditures made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

2. Significant accounting policies and basis of preparation (continued)

Financial instruments *(continued)*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company's cash and receivables are classified as loans and receivables. The Company's trade payables are classified as other financial liabilities.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

2. Significant accounting policies and basis of preparation (continued)

The Company does not have any derivative financial assets or liabilities.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Significant accounting policies and basis of preparation (continued)

Income taxes *(continued)*

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company’s estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company’s estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company’s estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company’s accounting policy for exploration and evaluation assets.

3. Accounting standard issued but not yet effective

IFRS 9, "Financial Instruments"

IFRS 9 was issued by the IASB in November 2009 and will replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model. The amendment also removed the January 1, 2015 effective date.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both *IAS 39, "Financial Instruments: Recognition and Measurement"* and *IFRIC 9, "Reassessment of Embedded Derivatives"*. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018. However, an entity may elect to apply the earlier versions of this new standard to annual periods beginning before January 1, 2018 if, and only if, its initial application date is before February 1, 2015.

The Company has not early adopted this standard, however the Company is currently assessing what impact the application of this standard and related amendments will have on the consolidated financial statements of the Company. These standards and interpretations will be first applied in the financial report of the Company that relates to the annual reporting period beginning on or after the effective date.

4. Exploration and evaluation assets

During the year ended March 31, 2012, the Company entered into an option agreement to acquire a 100% interest in certain claims comprising the Goldtooth property located in Inyo County, California. As at March 31, 2015 the option agreement was in default and during the year ended March 31, 2015, the Company terminated the agreement and wrote-off $160,018 to operations.

(Expressed in Canadian Dollars)

5. BDI Agreement

In accordance with the BDI Agreement, the shareholders of BDI will receive 17,000,000 common shares in the capital of the Company in exchange for the common shares of BDI (the "BDI Shares") at a price of $0.25 per share on a pro-rata basis. Following the Share Exchange, the Company will be engaged in commercializing a proprietary pathogen detection technology for the food safety testing industry and the in vitro diagnostics testing industry.

The transaction will result in the shareholders of BDI acquiring control of the Company. Therefore, the transaction will be accounted for as an acquisition of the Company by BDI and treated as a reverse take-over ("RTO"). As the Company does not meet the definition of a business as defined by International Financial Reporting Standards ("IFRS") 3, it will be accounted for as a share-based payment transaction in accordance with IFRS 2.

During the year ended March 31, 2016 the Company advanced BDI $25,000 as a non-interest bearing loan toward BDI's transaction expenses, which is refundable if the parties agree to terminate the transaction or regulatory authority does not permit the transaction to proceed.

The completion of the Acquisition is subject to material conditions precedent to be fulfilled, including due diligence, the negotiation and execution of a definitive agreement and TSX-V approval within 150 days following the execution of the Interim Agreement. After entering into a definitive agreement, should the Company not proceed with the transaction contemplated, the Company shall pay a break fee of $25,000, which may be satisfied by off-setting such break fee from the $25,000 advance.

6. Trade payables and accrued liabilities

	March 31, 2016	March 31, 2015
Trade payables	$ 6,102	$ 80,779
Accrued liabilities	101,054	10,000
	$ 107,156	$ 90,779

7. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended March 31, 2016	Year ended March 31, 2015
Net loss	$ (194,877)	$ (108,415)
Statutory tax rate	26%	26%
Expected income tax recovery at the statutory tax rate	$ (50,668)	$ (28,188)
Non-deductible items and other	(351)	(1,502)
Effect of reduction in tax rates	-	-
Temporary differences not recognized	51,019	29,690
Income tax recovery	$ -	$ -

(Expressed in Canadian Dollars)

7. Income taxes (continued)

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	March 31, 2016	March 31, 2015
Non-capital loss carry-forwards	$ 2,743,235	$ 2,540,334
Exploration and evaluation assets	1,347,895	1,347,895
Share issuance costs	5,630	12,306
	$ 4,096,760	$ 3,900,535

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	Canadian non-capital losses	Exploration and evaluation assets	Share issue costs
2017	$ -	$ -	$ 2,115
2018	-	-	1,820
2019	-	-	1,425
2020	-	-	270
2028	64,772	-	-
2029	212,348	-	-
2030	229,714	-	-
2031	578,033	-	-
2032	851,685	-	-
2033	405,153	-	-
2034	228,341	-	-
2035	(29,712)	-	-
2036	202,901	-	-
No expiry	-	1,347,895	-
	$ 2,743,235	$ 1,347,895	$ 5,630

8. Share capital

(a) *Authorized share capital*

Unlimited number of common shares without par value.

(b) *Issued share capital*

At March 31, 2016 there were 9,170,260 issued and fully paid common shares (March 31, 2015 – 7,170,260).

(Expressed in Canadian Dollars)

8. Share capital (continued)

(b) Issued share capital (continued)

Year ended March 31, 2016

The Company completed a non-brokered private placement and issued 2,000,000 units of the Company at $0.05 per unit for gross proceeds of $100,000. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for 36 months from the closing of the private placement at a price of $0.08 per common share. The Company incurred share issuance costs for the private placement of $1,350.

Year ended March 31, 2015

On June 20, 2014, the Company completed a non-brokered private placement and issued 6,005,000 units of the Company at $0.06 per unit for gross proceeds of $360,300. Each unit consisted of one common share and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for 60 months from the closing of the private placement at a price of $0.08 per common share. The Company incurred share issuance costs for the private placement of $5,777.

(c) *Warrants*

The changes in warrants during the years ended March 31, 2016 and 2015 are as follows:

	Year ended March 31, 2016		Year ended March 31, 2015	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning of year	6,005,000	$ 0.08	174,167	$ 1.30
Warrants issued	2,000,000	0.08	6,005,000	0.08
Warrants expired	-	-	(174,167)	1.69
Warrants outstanding, end of year	8,005,000	$ 0.08	6,005,000	$ 0.08

Details of warrants outstanding as at March 31, 2016 are as follows:

Number of warrants	Exercise Price	Expiry Date
6,005,000	$ 0.08	June 20, 2019
2,000,000	$ 0.08	May 7, 2018

(Expressed in Canadian Dollars)

8. Share capital (continued)

(d) Stock options

The Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. Vesting periods are determined by the Board of Directors.

There were no options outstanding as at March 31, 2015 and 2016.

(e) Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. Related party transactions

The Company incurred the following transactions with directors or companies that are controlled by directors of the Company:

	Years ended March 31,	
	2016	**2015**
Management fees	$ 3,500	$ 7,000
Consulting fees	47,000	-
	$ 50,500	$ 7,000

During the year ended March 31, 2016 the Company incurred $40,000 in fees paid to a management company to provide administrative services including services of a Chief Financial Officer. As at March 31, 2016 $5,250 (March 31, 2015 - $nil) was payable to this company and included in trade payables and accrued liabilities.

(Expressed in Canadian Dollars)

10. Financial instruments and risk management

Designation and valuation of financial instruments

The Company has designated its cash, receivables and short-term loan as loans-and-receivables and trade payables as other-financial-liabilities.

The carrying values of cash, receivables, short-term loan and trade payables approximate their fair values because of the short-term maturity of these financial instruments.

The following table summarizes the designation of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable:

- Level 1 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 of the hierarchy includes inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 includes inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments included in Level 1 as at March 31, 2016 are as follows:

		March 31, 2016		**March 31, 2015**
Cash	$	8,527	$	105,485

Financial liabilities included in the consolidated statement of financial position are as follows:

		March 31, 2016		**March 31, 2015**
Non-derivative financial liabilities:				
Trade payables	$	6,102	$	80,779

10. Financial instruments and risk management (continued)

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and receivables. The cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's receivables consist of tax receivables due from federal government agencies and a short term loan. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as being high.

Foreign exchange risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company`s functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2016, the Company did not have any cash equivalents or interest bearing debt and is not subject to interest rate risk.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

11. Subsequent event

Subsequent to the year ended March 31, 2016, 400,000 warrants with an exercise price of $0.08, which were set to expire on June 20, 2019, were exercised for proceeds of $32,000.